

## Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 NEA-09 ISO-00 IO-10

OIC-02 SSO-00 NSCE-00 INRE-00 USIE-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 PRS-01 SP-02 FEAE-00 OMB-01

/124 W

----- 104297

O R 211315Z APR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 0378

INFO AMEMBASSY CANBERRA

AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMEMBASSY BUJUMBURA

AMEMBASSY BOGOTA

AMEMBASSY SAN JOSE

AMEMBASSY SANTO DOMINGO

AMEMBASSY QUITO

AMEMBASSY SAN SALVADOR

AMEMBASSY ADDIS ABABA

AMEMBASSY ACCRA

AMEMBASSY GUATEMALA

AMEMBASSY CONAKRY

AMEMBASSY PORT AU PRINCE

AMEMBASSY TEGUCIGALPA

AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

AMEMBASSY KINGSTON

AMEMBASSY NAIROBI

AMEMBASSY MONROVIA

AMEMBASSY MEXICO

AMEMBASSY MANAGUA

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AMEMBASSY YAOUNDE

AMEMBASSY BANGUI  
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AMEMBASSY DAR ES SALAAM  
AMEMBASSY PORT OF SPAIN  
AMEMBASSY CARACAS  
AMEMBASSY KINSHASA  
AMEMBASSY LAGOS  
USMISSION GENEVA

USMISSION EC BRUSSELS  
AMEMBASSY LA PAZ

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FOR E.B. KATZ

E.O. 11652: N/A

TAGS:

ETRD, EAGR

SUBJECT: COFFEE: WORKING GROUP ON NEGOTIATION OF A  
NEW AGREEMENT

REF: LONDON 5906

SUMMARY: THE FIRST WEEK OF THE 5TH MEETING OF THE  
WORKING GROUP ON NEGOTIATION OF A NEW ICA WAS DOMINATED  
BY THE PRESENTATION AND EXAMINATION OF US SUGGESTIONS  
(REFTEL). END SUMMARY

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1. THE WORKING GROUP (WG) MET BRIEFLY MONDAY, APRIL  
14, AND RECESSED AT SUGGESTION OF EXECUTIVE DIRECTOR  
UNTIL TUESDAY AFTERNOON TO PERMIT TIME FOR "CONSULTA-  
TIONS." PRODUCERS CAUCUSED MONDAY AFTERNOON AND  
CONSUMERS TUESDAY MORNING. US DEL PRESENTED ITS  
SUGGESTIONS TO CONSUMER CAUCUS AND TUESDAY AFTERNOON  
TO FULL WG.

2. INITIAL CONSUMER RESPONSES TO US SUGGESTIONS WERE FAVORABLE. MOST CONSUMER DELS EXPRESSED GENERAL SUPPORT FOR US APPROACH WITH INDIVIDUAL DELEGATIONS REGISTERING SOME RESERVATIONS ON SPECIFIC POINTS. GENERAL FEELING OF CONSUMERS BEST SUMMED UP BY SWISS REP (LUTHI) WHO DESCRIBED US SUGGESTIONS AS "BOTH REASONABLE AND WORKABLE."

3. INITIAL PRODUCER COUNTRY RESPONSES TO US SUGGESTIONS WERE CAUTIOUS ON SPECIFICS BUT GENERALLY POSITIVE. THE FACT THE US HAD PUT FORWARD SOME IDEAS FOR A NEW ICA WAS WELCOMED BY PRODUCERS AS CONSTRUCTIVE CONTRIBUTION TO THE DISCUSSIONS. SEVERAL PRODUCER DELS COMMENTED THAT THE PACKAGE SUGGESTED WAS COMPREHENSIVE AND ADDRESSED THE PRINCIPAL ISSUES. INITIAL QUESTIONS FROM THE PRODUCERS CENTERED ON THE MARKET SHARE FORMULA AND MOST WERE NON-COMMITAL UNTIL THEY HAD A CHANCE TO WORK OUT THE ARITHMETIC FOR THEMSELVES.

4. MOST DISCUSSION AT WEDNESDAY AND THURSDAY MEETINGS OF WG FOCUSED ON THE OPERATION AND IMPLICATIONS OF THE MARKET SHARE FORMULA. OTHER CONSUMER DELS INDICATED THEIR SUPPORT FOR A FLEXIBLE APPROACH, SUCH AS IN THE US PROPOSALS. PRODUCERS WERE CLEARLY INFLUENCED BY THEIR CALCULATIONS OF HOW IT WOULD AFFECT THEIR OWN INTERESTS. PORTUGAL (MEDINA), GENERALLY THE MOST CONTENTIOUS OF THE PURCHASERS, CHARACTERIZED THE US FORMULA AS "A BASIS FOR COMPROMISE AMONG PRODUCERS." OAMCAF (N'DIA) AND OTHER AFRICAN PRODUCERS EXPRESSED STRONG SUPPORT FOR THE US FORMULA. THE OTHER MILDS PRODUCERS SPLIT, WITH MEXICO, EL SALVADOR AND COSTA RICA PRAISING THE US APPROACH WHILE GUATEMALA (WHICH LIMITED OFFICIAL USE

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HAS VIRTUALLY NO STOCKS) EXPRESSED STRONG RESERVATIONS.  
NEITHER BRAZIL NOR COLOMBIA SPOKE MUCH IN THE OPEN  
MEETINGS BUT BOTH INDICATED PRIVATELY TO US REPS  
THAT THE SUGGESTED MARKET SHARE FORMULA WAS PROBABLY  
ACCEPTABLE TO THEM.

5. BY FRIDAY, PRODUCERS HAD REQUESTED THE MARKET SHARE  
FORMULA AND BEGAN TO FOCUS ON THE US PRICE FORMULA.  
PRODUCERS PRESSED HARD FOR THE US TO "FILL IN THE  
BLANKS." US REP (INGERSOLL) RESPONDED BY INDICATING  
THE BROAD CONSIDERATIONS WHICH THE US BELIEVES MUST  
GO INTO DETERMINING PRICE LEVELS AND THE UTILITY OF  
DISCUSSING SPECIFIC PRICES UNTIL THE WG CAN FIRST  
DEFINE WHICH PRICES IT IS TALKING ABOUT (I.E., WELL  
DEFINED INDICATOR PRICE OR PRICES).

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6. COMMENT: THE US PRESENTATION ACCOMPLISHED THE  
OBJECTIVES OF DEMONSTRATING OUR SERIOUS INTEREST IN A  
NEW ICA AND OF INTRODUCING INTO THESE WG DISCUSSIONS  
SUGGESTIONS FOR A FLEXIBLE FRAMEWORK THE US COULD  
LIVE WITH. INDEED, DURING THE FIRST WEEK OF THE  
TWO-WEEK MEETING, THE US SUGGESTIONS WERE ALMOST THE  
SOLE TOPIC OF DISCUSSION. THROUGHOUT THE WEEK, US  
REPS STRESSED THE NEED FOR CLOSER TECHNICAL EXAMINA-  
TION OF BOTH OUR OWN AND OTHER SUGGESTIONS TO ESTABLISH  
THEIR OPERATIVE FEASIBILITY. DURING THE SECOND WEEK,  
THE WG PROBABLY WILL MOVE INTO MORE SPECIFIC DISCUSSION  
AND TECHNICAL SUBGROUPS WILL MEET ON ENFORCEMENT ASPECTS  
(CONTROLS) AND POSSIBLY ON PROBLEMS THAT WOULD BE  
INVOLVED IN THE FORMATION OF AN INTERNATIONAL

GUARANTEE STOCK.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COFFEE, TRADE AGREEMENTS, NEGOTIATIONS, COMMITTEE MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON05966  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750139-0184  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750433/aaaabejh.tel  
**Line Count:** 280  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 6  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LONDON 5906  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 APR 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COFFEE: WORKING GROUP ON NEGOTIATION OF A NEW AGREEMENT  
**TAGS:** EAGR  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006